

STORAGE NAME: h1117a.hr.doc
DATE: February 14, 2002

**HOUSE OF REPRESENTATIVES
COMMITTEE ON
HEALTH REGULATION
ANALYSIS**

BILL #: HB 1117
RELATING TO: Infant Eye Care
SPONSOR(S): Representative Bucher and others
TIED BILL(S): None.

ORIGINATING COMMITTEE(S)/COUNCIL(S)/COMMITTEE(S) OF REFERENCE:

- (1) HEALTH REGULATION YEAS 7 NAYS 3
 - (2) CHILD & FAMILY SECURITY
 - (3) HEALTH & HUMAN SERVICES APPROPRIATIONS
 - (4) COUNCIL FOR HEALTHY COMMUNITIES
 - (5)
-

I. SUMMARY:

THIS DOCUMENT IS NOT INTENDED TO BE USED FOR THE PURPOSE OF CONSTRUING STATUTES, OR TO BE CONSTRUED AS AFFECTING, DEFINING, LIMITING, CONTROLLING, SPECIFYING, CLARIFYING, OR MODIFYING ANY LEGISLATION OR STATUTE.

HB 1117 requires all babies born in Florida hospitals to receive, prior to discharge, an eye examination using an ophthalmoscope and dilation of the pupil for detection of pediatric congenital and ocular abnormalities.

Additionally, s. 627.6416, F.S., pertaining to health insurance coverage for child health supervision services and s. 641.31, F.S., pertaining to health maintenance contracts are amended to include coverage for examinations at birth, at 6-8 weeks of age, and at 6-9 months of age, using an ophthalmoscope and pupil dilation.

This bill reenacts s. 383.07, F.S. which provides for a penalty for violation of s. 383.04, F.S., which institutes failure to comply with screenings as a second-degree misdemeanor and punishable by s. 775.083, F.S.

The AAP recommends that infants **at risk** for eye problems or family history of eye disease or disorders have an ophthalmologic examination in the nursery and that all infants should be examined by 6 months of age for the presence of any eye disease or disorder. One in 677 infants have a treatable eye disease that can blind them as early as two months if not detected.

Currently, there is no specific statutory requirement to perform eye examinations or for insurance coverage of examinations to determine an infant's ocular abnormalities or developmental abnormalities. Penalties exist for violation of the current requirements. However, current law provides that services shall be provided in hospitals and covered by insurers in accordance with the recommendations for Preventative Pediatric Health Care of the American Academy of Pediatrics.

The estimated cost to Medicaid would be up to \$5,120,000. **See "fiscal comments" section of this analysis.**

The bill provides for an effective date of July 1, 2002.

On February 12, 2002, the Committee on Health Regulation reported the bill favorably with one amendment, which is traveling with the bill. See section VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES, below.

II. SUBSTANTIVE ANALYSIS:

A. DOES THE BILL SUPPORT THE FOLLOWING PRINCIPLES:

- | | | | |
|-----------------------------------|---|--|---|
| 1. <u>Less Government</u> | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> | N/A <input type="checkbox"/> |
| 2. <u>Lower Taxes</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 3. <u>Individual Freedom</u> | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> | N/A <input type="checkbox"/> |
| 4. <u>Personal Responsibility</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 5. <u>Family Empowerment</u> | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> | N/A <input type="checkbox"/> |

For any principle that received a "no" above, please explain:

Less Government and Individual Freedom: The bill mandates coverage of eye exams under health insurance policies and HMO contracts for children born in Florida hospitals.

B. PRESENT SITUATION:

Currently, the American Academy of Ophthalmology (AAO) recommends vision screening consisting of red light reflex testing be performed on all newborns. Those with screening abnormalities, or who are considered high risk, are to be referred to an ophthalmologist, a medical doctor specializing in eye diseases and disorders, for further evaluation. Additional screening is recommended between 6 months to one year of age. The AAO recommends that a pediatrician, family physician, nurse practitioner, or physician assistant conduct these screenings.

The American Academy of Pediatrics' (AAP) Policy Statement (July 1996) entitled Eye Examination and Vision Screening in Infants, Children, and Young Adults recommends that eye exams of newborns and infants include evaluation of eyelids and orbits, external eye area, eye motility, eye muscle balance, pupils and red light reflex.

The AAP recommends that infants **at risk** for eye problems or family history of eye disease or disorders have an ophthalmologic examination in the nursery and that all infants should be examined by 6 months of age for the presence of any eye disease or disorder. One in 677 infants have a treatable eye disease that can blind them as early as two months if not detected.

The provisions of law set forth in s. 383.04, F.S., requires that all babies born in Florida hospitals to have prophylactic medication instilled [as recommended by the Committee on Infectious Diseases of the American Academy of Pediatrics] for the prevention of neonatal ophthalmic. If the parents have filed with the physician, midwife or other person in attendance at the birth of a child, a written objection due to religious beliefs, the requirements are waived. A record of measures employed or not employed must be maintained.

Currently, there is no specific statutory requirement to perform eye examinations or for insurance coverage of examinations to determine an infant's ocular abnormalities or developmental abnormalities. Penalties exist for violation of the current requirements. However, current law provides that services shall be provided in hospitals and covered by insurers in accordance with the recommendations for Preventative Pediatric Health Care of the American Academy of Pediatrics.

Section 384.04, F.S., specifies: "Every physician, midwife, or other person in attendance at the birth of a child in the state is required to instill or have instilled into the eyes of the baby within 1 hour after birth an effective prophylactic recommended by the Committee on Infectious Diseases of the American Academy of Pediatrics for the prevention of neonatal ophthalmia. This section does not apply to cases where the parents file with the physician, midwife, or other person in attendance at the birth of a child written objections on account of religious beliefs contrary to the use of drugs. In such case the physician, midwife, or other person in attendance shall maintain a record that such measures were or were not employed and attach thereto any written objection."

Section 641.31(30)(b)1, F.S., specifies that: "b) As used in this subsection, the term "child health supervision services" means physician-delivered or physician-supervised services that include, at a minimum, services delivered at the intervals and scope stated in this subsection.

1. Child health supervision services must include periodic visits which shall include a history, a physical examination, a developmental assessment and anticipatory guidance, and appropriate immunizations and laboratory tests. Such services and periodic visits shall be provided in accordance with prevailing medical standards consistent with the Recommendations for Preventive Pediatric Health Care of the American Academy of Pediatrics."

Additionally, child health supervision visits to a physician or other medical professional as supervised by a physician is a covered benefit for health insurance policies and HMO contracts covering children.

Medicaid currently pays for eye health care for recipients of all ages, provided through enrolled ophthalmologists and optometrists. Medicaid limits coverage for 'screening' procedures, to those specifically authorized by law, (Child Health Check Up, newborn hearing screens, and adult health screens). For eye health care, patients must present with a suspected illness, vision problem or actual illness.

C. EFFECT OF PROPOSED CHANGES:

This bill increases vision-screening requirements for newborns and infants up to 9 months of age. In addition, requires the inclusion of the additional screening services in coverage for child health supervision services and health maintenance contracts.

HB 1117 reenacts s. 383.07, F.S., creating a penalty for violation, instituting failure to comply as a second-degree misdemeanor, punishable as provided by s. 775.083, F.S. which provides for a fine up to \$500, or any higher amount equal to double the pecuniary gain derived from the offense by the offender, or double the pecuniary loss suffered by the victim or any higher amount specifically authorized by statute.

The bill adds diagnostic eye examinations to the procedures already required of physicians, midwives or other persons in attendance at a child's birth in Florida. The bill also requires all health insurance policies providing coverage on an expense-incurred basis and HMO contracts that provide coverage for a member of a family of the insured or subscriber, to cover the eye examinations at birth and during child health supervision visits at six to eight weeks of age, and at six to nine months of age.

D. SECTION-BY-SECTION ANALYSIS:

Section 1. Amends s. 383.04, F.S., to include an eye examination, before discharge, using an ophthalmoscope and pupil dilation for all newborns born in a hospital in order to detect pediatric congenital and ocular abnormalities.

Section 2. Reenacts s. 383.07, F.S., penalty for violation, which institutes failure to comply with screenings as a second-degree misdemeanor.

Section 3. Amends s. 627.6416, F.S., to include coverage under health insurance policies for eye examinations using an ophthalmoscope and pupil dilation at birth, at 6-8 weeks of age, and at 6-9 months in order to detect pediatric congenital and ocular abnormalities and developmental abnormalities.

Section 4. Amends s. 641.31, F.S., to include in health maintenance organization contracts coverage for eye examinations using an ophthalmoscope and pupil dilation at birth, at 6-8 weeks of age, and at 6-9 months in order to detect pediatric congenital and ocular abnormalities and developmental abnormalities.

Section 5. Provides for an effective date of July 1, 2002.

III. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

According to AHCA, the following assumptions were made:

- An average of 70,000 births are covered by Medicaid per year in Florida.
- Staff other than hospital staff are required (pediatric ophthalmologist or optometrist) to perform at least part or all of the examination.
- Fewer children remain Medicaid eligible or access the care offered at 6-8 weeks and at 6-9 months.

Estimated Medicaid Costs:

Newborn Screenings at Birth	(70,000 at \$32)	\$2,400,000
Screenings at 6-8 Weeks	(50,000 at \$32)	\$1,600,000
Screenings at 6-9 Months	(35,000 at \$32)	\$1,120,000
Total Annual Cost to Medicaid		\$5,120,000
General Revenue	(41.17%)	\$2,107,904
Medical Care Trust Fund	(58.83%)	\$3,012,096

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

The bill mandates coverage of eye exams under health insurance policies and HMO contracts for children through the age of 9 months that are born in Florida hospitals. In addition, to the extent that local governments self-insurance plans do not comply with the bill, the bill will require them to expend funds necessary to cover eye exams for children covered under the plan(s).

C. **DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:**

There could be potential increase in health maintenance organization costs and private insurance costs as this increases the service requirements of insurers. These costs could ultimately be passed to consumers in the form of higher premiums.

This bill increases screening services available to newborns and infants up to age 9 months, resulting in earlier identification and treatment of serious eye conditions that could result in blindness or death, and reduction in health care costs associated with those conditions.

Cost estimates for the provision of the required infant eye examinations are not available to determine impact on insurers, including HMOs.

According to AHCA, the screening provided in this bill could correspond to regular pediatric/child health supervision visits, with the exception of the dilation. It is recommended that the dilation be performed by a pediatric ophthalmologist. If the bill passes, it is unlikely that sufficient pediatric ophthalmologists are available in Florida to complete the examinations.

D. **FISCAL COMMENTS:**

The fiscal impact does not include estimates of increased utilization due to early detection of medical conditions; rather, it includes estimates of screening costs only.

The bill has a fiscal impact on health insurers and HMOs by mandating them to provide coverage for a particular benefit, eye examinations and follow-up visits for covered infants for detection of pediatric congenital and ocular abnormalities. The bill may also have an additional impact on providers, hospitals, midwives and others in attendance at the birth of a child in Florida; however, the fiscal impact is unknown. The bill requires follow-up visits that may not be medically necessary and may increase costs.

For Medicaid, the potential fiscal impact depends on the staff used to provide this service in the inpatient hospital setting. If staff from the hospital is able to perform this screening, Medicaid's per diem (daily reimbursement rate) may cover the screenings/exams with no additional funding. If physicians or optometrists were anticipated to come into the hospital to perform the screening, reimbursement would have to be set. The current fees for the least invasive examination for eye health are reimbursed at \$32. Examinations occurring at a physician's office (through 9 months of age) may be covered under the billing for the office visit as prescribed in the Child Health Checkup Handbook.

The impact on the Department of Management Services, Division of State Group Insurance (DMS/DSGI) to include coverage of the eye exams required in this bill is unknown. This bill would require review of Department of Health's premium for Title XIX and XXI recipients and determine the impact. Determination of the type of provider necessary to provide the services, especially with

regards to dilation, as stipulated in the bill would need to be defined before a cost analysis could be developed.

This bill would require review of the Department of Health's premium for Title XIX and XXI recipients and determine the impact. Determination of the type of provider necessary to provide the services, especially with regards to dilation, as stipulated in the bill would need to be defined before a cost analysis could be developed. Additionally, this bill could have impact on county health department costs for those health departments that include well childcare in their provision of services. Costs associated with this bill are difficult to determine at this time due to lack of definition of the type of provider necessary to provide eye examinations with dilation.

IV. CONSEQUENCES OF ARTICLE VII, SECTION 18 OF THE FLORIDA CONSTITUTION:

A. APPLICABILITY OF THE MANDATES PROVISION:

The bill may require a city or county to expend funds or to take any action requiring the expenditure of funds. The bill mandates coverage of eye exams under health insurance policies and HMO contracts for children through the age of 9 months that are born in Florida hospitals. In addition, to the extent that local governments self-insurance plans do not comply with the bill, the bill will require them to expend funds necessary to cover eye exams for children covered under the plan(s).

B. REDUCTION OF REVENUE RAISING AUTHORITY:

The bill does not reduce the revenue raising authority of any city or county.

C. REDUCTION OF STATE TAX SHARED WITH COUNTIES AND MUNICIPALITIES:

The bill does not reduce the amount of state tax shared with a county or city.

V. COMMENTS:

A. CONSTITUTIONAL ISSUES:

See comments in section IV.

B. RULE-MAKING AUTHORITY:

None.

C. OTHER COMMENTS:

None.

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

On February 12, 2002, the Committee on Health Regulation considered HB 1117 and passed the bill favorably with a one amendment, which is traveling with the bill. The amendment provides that for the services required by the bill:

- Medicaid will reimburse hospitals a fee for service, in addition to the per-diem rate, covering the cost of providing the screening to newborn babies in the hospital;
- Requires health insurers and HMO's to compensate providers for the screening as an expense supplemental to the contracted rate; and

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- Non-hospital providers (physicians) may bill Medicaid for the professional and technical component of each procedure code.

VII. SIGNATURES:

COMMITTEE ON HEALTH REGULATION:

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